

TO: Tom Garguilo

DATE: January 29, 1992

FROM: Jeanne Bonhomme

SUBJECT: Research on Bucks Full Margin Test In Phoenix

Attached is a copy of the Bucks Full Margin Test in Phoenix presentation. The conclusion reached from this research is that Bucks loses its competitive advantage as a full price brand and cannot compete with full margins. Yet as a Price Value, Bucks represents an appealing option among the competitive set of Price Value brands.

Specifically, in the Phoenix area.

- Bucks was highly visible and clearly positioned as a full price brand.
- Bucks had limited coupon activity. An occasional \$3.00 off carton coupon or 2 for 1.
- In spite of it's full price status, consumers perceive Bucks as a Mid-Tier Brand, like Doral and Magna. The rationale behind this is:
  - Unlike Marlboro, Bucks is not an older established brand with well developed imagery.
  - Yet, Bucks' packaging is more finished looking than other cheaper Price Values
  - Buck has some type of advertising which legitimizes the brand as a better Price Value. The real discount brands don't advertise, and the full margin brands have highly visible well developed advertising.
  - Bucks is closer to full margins in taste/quality than the real cheap Price Values brands.



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Attachments

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